

**SPECIAL MEETING OF  
DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT  
Tuesday, December 14, 2004**

**CALL TO ORDER 8:10 P.M.**

**ROLL CALL**

Directors Present: Mathewson, Feierbach, Bauer, Metropulos, Warden

Directors Absent: None

Staff Present: Interim District Manager Rich, City Attorney Savaree, Community Development Director Ewing, Public Works Director Davis, District Secretary Cook.

**CONSENT CALENDAR**

Approval of Minutes of Regular Meetings of July 13, 2004, and October 12, 2004.

**ACTION:** On a motion by Director Mathewson, seconded by Director Metropulos, the Consent Calendar was unanimously approved by a show of hands.

**ADDITIONAL BUSINESS**

**Discussion and direction regarding report from Special Fire Financial Project Subcommittee**

Finance Director Fil stated that a subcommittee was convened as a result of Budget discussions in order to address ongoing financing issues for the South County Authority (SCFA). He noted that the subcommittee had completed its review, and a report had been made to the Authority at its last meeting. He stated that the Belmont Fire Protection District (BFPD) has experienced a decade-long imbalance between revenues and expenditures.

Finance Director Fil reported that last year's failed parcel tax resulted in the closure of a fire company and personnel layoffs. He also noted that an independent audit confirmed there would be a fund imbalance by 2007, and that the subcommittee's recommendation was to resolve long-term funding issues and to address the needs of SCFA.

**Warren Lieberman**, Chair of the Special Fire Financial Project Subcommittee and Chair of the Belmont Finance Commission, introduced members of the Subcommittee, and noted that its composition included representatives from both the City of Belmont and the City of San Carlos. He clarified that the subcommittee evaluated only the financial structure of the Authority, but not operations or service levels. The subcommittee noted an imbalance of revenues to expenditures, and recommended that the BFPD issue a five-year assessment, either alone or with the City of San Carlos, and also recommended that within five years the Agency should seek a contract with another agency for fire services since the current structure was impacting services monetarily.

Mr. Lieberman added that the subcommittee recognized that these recommendations were significant, and suggested the 18-month notification of dissolution to the Authority as required by the Joint Powers Agreement.

In response to Director Bauer, Finance Director Fil stated that the June 2004 unaudited fund balance for BFPD reflects a deficit of \$45,000, and that South County Fire's deficit is \$213,000.

He noted that an assessment is a short-term solution. He clarified that a notice of dissolution does not necessitate the actual dissolutionment, but is required for any changes to the JPA Agreement. He also clarified that the 18-month time clock runs to the end of the subsequent fiscal year, and the Agreement can be dissolved earlier than 18 months if mutually agreeable. He noted that consolidation with a third party is an option. He also noted that Chief Lowden would soon be producing a report to SCFA to outline service delivery options.

In response to Director Feierbach, Finance Director Fil stated that the initial loss of revenue to Belmont following the 1997 Harbor Industrial Area (HIA) partial annexation to the City of San Carlos was \$150,000 per year, which has since grown to over \$200,000 per year. He clarified that the match to the Authority from each contributing agency is equal; therefore, the loss of revenue has a double impact on BFPD.

Finance Director Fil clarified the difference between an assessment and a parcel tax, and noted that an assessment is an allocation based on formula voted on only by property owners, and a parcel tax requires a two-thirds passage of voters. He also clarified that a number of factors have led to the financial impacts, including injuries, as well as PERS and workers compensation costs.

Director and staff discussion ensued. Finance Director Fil and Interim Executive Director Rich clarified that the dissolutionment could be rescinded if new terms are agreeable to both parties. They also clarified that if notice is given, all options would be pursued, including contracting for service with other agencies or BFPD becoming a stand-alone agency as it had been in previous years. They noted that a main point of discussion would be the preservation of jobs during any transition.

In response to Director Bauer, Finance Director Fil stated that the 18-month notification process would provide sufficient time to develop an appropriate course of action. He added that each year of delay impacts SCFA and BFPD and limits options. He noted there is no consensus between Belmont and San Carlos regarding a revenue measure, and service levels will continue to be impacted.

**Jim O'Donnell**, San Carlos resident, stated that he joined the fire service 50 years ago. He commented that the consolidation of SCFA was fruitful, and disbanding is going backwards. He added that other agencies within and outside the County of San Mateo are consolidating using SCFA as a model.

**Gary Fauth**, SCFA firefighter, stated this is a financial, service level, and employee issue. He noted that SCFA employees are Belmont employees, and that service awards have issued by both cities, and that they are part of both communities.

**Jim Devincenzi**, SCFA firefighter, stated that he has been with SCFA for 31 years and was employed during the time of the merger. He noted that the merger was done at a time of double-digit inflation, and it saved money. He stated that the public has control over what they want from fire service. He also stated that the new fire station is the pride of the community, that Haz Mat is important, and any changes will have a financial impact.

**RECESS: 9:00 P.M.**  
**RECONVENE: 9:15 P.M.**

Director Feierbach stated there was an inequality between the two member cities in SCFA. She noted that the 1997 HIA annexation to San Carlos created a higher subsidy from Belmont, and that the two cities had been at odds with each other since that time. Her goal is to protect Belmont and its jobs, and if the status quo were to remain, additional jobs will be lost. She desires to keep both stations open, and supports a letter of intent to dissolve the JPA.

Director Metropulos stated that he has a fiduciary responsibility to Belmont, and that Belmont was not getting a fifty percent level of service from the Authority. He would like to keep stations fully staffed. He noted that a San Carlos fire board member is under investigation by the District Attorney, which has made it difficult to maintain the relationship between the two cities.

Director Mathewson stated there was no easy answer to this issue, and that the option to renegotiate the Agreement may not be feasible. He commented that SCFA has the best fire service, his responsibility is to Belmont taxpayers for fire service, and additional cuts will impact the community.

Director Bauer stated that an assessment was needed immediately to maintain the current level of service, and supported re-evaluating the JPA contract. He commented regarding the difficult relationship between the two cities, noted that the Authority is in deficit, and it would be risky to wait an additional year.

Director Warden stated that this is not a political decision, and that people's lives and jobs are at stake. He noted that he requested this study, to which the Authority agreed. He stated that SCFA is an excellent fire department serving both cities well. It was formed as a cost savings measure, which was the right thing to do at the time. He noted that the situation is now very serious, that firefighters have been laid off, companies closed, and the BFPD is in deficit. Belmont officials have publicly expressed the need for new revenue, but San Carlos officials have chosen a shuttle service for an assessment. He outlined the inequities in the JPA, since Belmont has fewer people and parcels, less commercial space, and a lower percentage of seniors and structures. He added that he has listened to all stakeholders, he feels bad about the layoffs, and will do what is right to maintain stations, jobs, and service levels.

Interim District Manager Rich stated that this issue has also been difficult from staff perspective, and he appreciates the comments expressed. He noted that all options will be explored, and there are no preconceived ideas. He reviewed the recommendation for action. He also noted that prior direction of the Board was that the assessment consultant, Municipal Finance, would be ready with an assessment for BFPD in May.

**ACTION:** On a motion by Director Feierbach, seconded by Director Mathewson, and approved by a roll call vote of 4-1 (Bauer no) to: 1) accept the report of the Special Fire Financial Project Subcommittee; 2) direct District Manager to give notice of termination by December 31, 2004; 3) direct District Manager to begin discussions with potential providers of services; and 4) Direct staff to report back within three months to provide an update and to discuss options further.

**ADJOURNMENT** at this time, being 9:40 P.M.

Terri Cook  
District Secretary

Meeting tape-recorded  
Tape No. 597